

market. That was 6s. 4d. as a minimum for any grade. Under that offer, if the market had been free, the prices for the better varieties, except the Tuscan, would naturally have been higher. I asked at that conference whether there would be any difference in the minimum price guaranteed for different varieties, and the reply was that a free market would adjust itself. Some time after the agreement was made the Government bought a large quantity of wheat in Australia. Also, I may say, that at that conference we asked that the present duty be increased to that of a parity with Australia. 9d. a cental is the duty imposed on Australian wheat coming in here, and the duty the Australians impose against us is 1s. 6d.; and we thought that the duty should be equal. The Minister said that he could not promise that that would be done—that the tariff would be adjusted so as to make it equal with Australia. But there was no question in any one's mind that the duty ordinarily ruling here of 9d. a cental—that there would be any interference with it. This wheat was bought in Australia, and it appears that it is going to be sold against our duty here—that is, this year. Instead of that, the Government found they could not control the price of bread, and so on, if they did give the free market, and threw over the whole thing and made it a straight-out price of 6s. 6d. for all grades. By way of showing the injustice of that, in Australia the price is for next year—they are offering 5s. 6d., 5s. 8d., and 5s. 10d. If there is any justification for that difference next year there certainly was justification this year here. The action of the Government this year will have a deterrent influence, in my opinion; and the farmers who may care to go in for wheat-growing next year will not put very much reliance on anything the Government may say they will do. There is another reason why wheat-production is not likely to be gone in for enthusiastically, and that is the very large cost of production. Nearly everything has tremendously increased in price connected with the production of wheat. Another phase is the very long time it takes to get a return in wheat-growing. If we take it up from the point of view that wheat is going to be the first consideration in farming operations, the preparation requires to be started in, say, November, and from that time on for the next eighteen months there is nothing but constant expenditure; not a halfpenny return comes in until the next April twelve months—nearly a year and a half before there is any payable return. It does not compare with stock-raising or dairying. The expenditure is a very heavy one all along. I might refer to another aspect of it, and say from the public point of view it is sometimes said that we must grow wheat because we must renovate our land—that we must plough our land and renew it. That is true, but it is wrong to put it in that way. The consumer is able to get wheat so cheaply for the reason that we do require to do that. It is grown more cheaply because we have to plough it in any case, but if it is a losing game then wheat has got to be left out. And I think that is a position that is very likely to take place in the future unless the prices are considerably higher than we have been used to. It is said—and I notice that the Minister has been quoting prices for wheat for some years—and, by the way, he tells us that in 1917–18 we got 6s. 4d. a bushel. Where he got the figures from I do not know. 5s. 10d. was the price f.o.b., which would be equal to about 5s. 9d. delivered in the towns. If we consider now the price of wheat is 5s. 6d. for next year, it must be measured largely by what that money is worth. As far as can be ascertained, the exchange value of money has dropped down pretty well a third, so that the price offered for next year of 5s. 6d. or 5s. 8d. would only be equal to about 3s. 8d. before the war. That is based on what is stated to be the ascertained value of the sovereign. Farming requisites have not only increased equal to that, but more than that, and in some cases the cost has been doubled and trebled. All these things have to be borne in mind in considering whether or not the inducement now offered is sufficient. I take it that the wheat-growing industry is of the highest importance here. It used to be said in pre-war times that if we could not grow wheat to pay us, then do not do it. If it is thought that that is the view to take nothing further can be said. I pointed out many years ago that it was of the highest importance here: that we were so situated it would be very difficult to get wheat except from Australia unless the Australian crop was a failure. So long as they get a good season over there they can beat us; there is no use attempting to grow wheat against Australia if they have a fair season at all. It is sometimes said that farmers will not grow wheat on purpose to be awkward—to throw the public into an awkward position. That is not the case. That has never entered any farmer's mind, except that he will use his land to the best advantage and raise the produce that the world's markets require. If it is thought worth while, and if the State wishes to control the price of bread, then I think something will have to be done in the way of specially encouraging and seeing that the farmers do get a payable price for growing wheat, and then there is no doubt they will grow it. Another disadvantage with regard to wheat-growing is that it requires larger capital in order to take up the wheat-growing industry. Smaller settlement is greatly talked about, and perhaps rightly so, but if you are going to go in for wheat-growing successfully the farms must not be too small; they must be from 300 to 500 acres at least. That means, where you have got £20- and £25-an-acre land, a pretty considerable amount of capital is required. You can go into the dairying and pastoral industries with a good deal less capital. Financial firms would far rather finance either of the other industries. It is far safer to advance to a good man dairying or a man engaged in pastoral work than in the precarious occupation of wheatgrowing. There are so many chances of failure in grain-growing: it is a risky game all along the line. This year the price being paid, 6s. 6d., is a good one, and from what I can see the crops are going to be paying crops; but that has nothing to do with the breach of faith on the part of the Government. Last year the price was 5s. 9d. and 5s. 10d., but the crop was a failure and the losses were very serious indeed; but the farmers did not squeal much, and the wheat was delivered according to the bargain. Although there may be a good crop this year, and it is going to be a payable one, it will only make up for the losses we have suffered quite recently. The crop that we are now harvesting is likely to yield well, and that may have some influence on the crop next year—possibly it will.